

UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF PENNSYLVANIA

IN RE: :  
: Case No. 23-10763-amc  
:  
STREAM TV NETWORKS, INC. CH: 11 :  
AND NETWORKS, INC. AND : Philadelphia, Pennsylvania  
TECHNOVATIVE MEDIA, INC. : October 30, 2024  
: 11:07 a.m.  
: . . . . . :  
: . . . . . :

BEFORE THE HONORABLE ASHELY M. CHAN  
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES:

For SeeCubic, Inc.: Marley Brumme, Esq.  
Skadden Arps Slate Meagher &  
Flom, LLP  
500 Boylston Street, 23rd Floor  
Boston, MA 02116  
617-573-4800

For the Chapter 11 Trustee: Michael D. Vagnoni, Esq.  
Obermayer Rebmann Maxwell &  
Hippel LLP  
Centre Square West  
1500 Market Street, Suite 3400  
Philadelphia, PA 19102  
215-665-3066

Steven M. Coren, Esq.  
Kaufman Coren & Ress, P.C.  
Two Commerce Square  
Suite 3900  
2001 Market Street  
Philadelphia, PA 19103-2713  
215-735-8700

For Rembrandt: Andrew Peter Demarco  
Devlin Law Firm, LLC  
1526 Gilpin Avenue  
Wilmington, DE 19806  
302-449-9010

For Hawk Investment Holdings  
Ltd.:

Steven Caponi, Esq.  
K&L Gates  
600 N King Street  
Suite 901  
Wilmington, DE 19801  
302-416-7080

Jonathan N. Edel, Esq.  
300 South Tryon St., Suite 1000  
Charlotte, NC 28202

For VSI:

John H. Thompson. Esq.  
Akerman  
750 Ninth Street, N.W.  
Washington, D.C. 20001  
202-824-1760

R. Adam Swick, Esq.  
Akerman  
500 West 5th Street, Suite 1210  
Austin, TX 8701  
737-999-7103

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OCTOBER 30, 2024 11:07 A.M.

THE COURT: Numbers 28 and 29 are motions involving Stream TV Networks, an expedited motion to withdraw motion, and a motion to quash and for a protective order.

THE CLERK: Okay.

THE COURT: Appearances, please. Let's take -- we're going to take the parties in the courtroom first and then anyone who's on the line that wants to be.

MR. COREN: Good morning. Steven Coren for the Trustee.

THE COURT: Okay.

MR. VAGNONI: Good morning. Michael Vagnoni on behalf of the Chapter 11 Trustee.

THE COURT: Okay.

MR. THOMPSON: Good morning, Your Honor. John Thompson of Akerman on behalf of VSI and I'm here with my colleague, Adam Swick.

THE COURT: Okay. Welcome. I don't know if there's anyone. Is there anyone on the phone who would like to enter their appearance?

MR. CAPONI: Hi. Good morning. This is Steven Caponi from K&L Gates on behalf of Hawk.

THE COURT: Okay.

MS. BRUMME: And Marley Brumme from Skadden on behalf of SeeCubic, Inc.

1 THE COURT: Okay. All right.

2 MR. DEMARCO: This is Andrew Demarco from Devlin Law  
3 Firm on behalf of Rembrandt just listening in today.

4 MR. EDEL: And this is Jonathan Edel from K&L Gates  
5 on behalf of Hawk Investment Holdings.

6 THE COURT: All right. Well, I guess I just wanted  
7 to say at the outset I saw the papers filed by the parties and  
8 that with this second round of discovery it appears that there  
9 are issues related to the upcoming bid procedures hearing that  
10 we're going to have that have now been added to the discovery.  
11 And I understand you both -- both parties consent to that.

12 I guess I choose to handle this by sort of  
13 bifurcating it. With regard to the discovery related to  
14 anything not related to the bid procedures, I am going to quash  
15 all of that discovery. I just -- you'll see in my opinion that  
16 I don't believe that there's any basis for that. And I am  
17 going to enter an order granting the motion to withdraw the  
18 motion for entry of automatic stay.

19 So, at this point, the discovery with regard to the  
20 non-bid procedures will -- all of those discoveries will not --  
21 you know, I'm not -- I don't see any point. I think that  
22 they're just not relevant and I think our next step then is to  
23 -- I guess we have a hearing, Pam, on the reconsideration  
24 motion coming up.

25 THE CLERK: Yes. Yes. On the 7<sup>th</sup>.

1 THE COURT: Okay. So I'll hear from you guys on the  
2 7<sup>th</sup>. But I appreciate all your briefing on this and you'll see  
3 the orders that I enter shortly.

4 MR. THOMPSON: Well, Your Honor.

5 THE COURT: Yeah.

6 MR. THOMPSON: May I make a record?

7 THE COURT: Yeah. Go ahead.

8 MR. THOMPSON: Okay. Your Honor, I think that the  
9 difficult -- and I understand your ruling, but it also includes  
10 -- our contention is and I think it's one that would be born  
11 out through discovery -- is that everything that we've asked  
12 for ultimately gets to the issues involved with the Trustee's  
13 motion for sale and bidding procedures.

14 Now if Your Honor's order quashing that discovery is  
15 not limiting our capability to go into those topics, then I  
16 think I understand it, but --

17 THE COURT: Well, I guess I want it -- yeah. I want  
18 it with regard to your discovery related to the bid procedures.  
19 I hadn't yet seen your objection to -- which I'm sure is -- I  
20 don't know if you've already filed it, but I'm sure it's  
21 forthcoming. But I wanted to look at that first and then I  
22 will enter my ruling in connection with your discovery request  
23 with regard to that matter.

24 MR. THOMPSON: Yes, Your Honor. But there are other  
25 topics including TRO violations, alleged TRO violations,

1 failure to remedy or cure those violations, actions of other  
2 parties in the case that we assert are related to the sale and  
3 the bid procedures.

4 THE COURT: Okay. I think that a lot of the  
5 discovery that you have asked for also just relates to your  
6 reconsideration motion, which I'll be ruling on shortly. So,  
7 you know, so I'm trying to just keep things on their own  
8 separate track because I think it's easier for me to handle all  
9 of your discovery requests if I view it in that light.

10 MR. THOMPSON: Yes, Your Honor. And you -- I'm sure  
11 Your Honor took notice of the fact that we have a plan that we  
12 are intending to file --

13 THE COURT: Yeah.

14 MR. THOMPSON: -- in very short order. Some of these  
15 same issues have come up --

16 THE COURT: Is this a plan that is consensual with  
17 the Trustee or it's just --

18 MR. THOMPSON: It will not be.

19 THE COURT: Okay.

20 MR. THOMPSON: Notwithstanding our best efforts, Your  
21 Honor.

22 THE COURT: Okay. Okay.

23 MR. THOMPSON: And that's actually part and parcel of  
24 what we're talking about here.

25 THE COURT: Okay.

1 MR. THOMPSON: So it also involves the motion for  
2 reconsideration. So I would think that our motion for  
3 reconsideration also -- are you suggesting that we not have --  
4 that we not get any discovery from this Trustee with respect to  
5 that?

6 THE COURT: At this point, I would tell you my  
7 inclinations with regard to your motion for reconsideration,  
8 I'm not inclined to grant your motion for reconsideration. And  
9 if I do end up concluding in that manner, then I'm not going to  
10 be permitting discovery to go forth with regard to that issue  
11 as well.

12 MR. THOMPSON: Well, wouldn't it be important for the  
13 Court to understand that what we deem to be new information for  
14 the Court to make a determination?

15 THE COURT: Well, I'm assuming you've included  
16 everything in your papers that you would like me to consider.

17 MR. THOMPSON: Well, I think we have allegations that  
18 need to be --

19 THE COURT: So I think that what you're saying is  
20 that you think that this discovery will, you know, uncover a  
21 smoking gun, something like that, right? That whatever -- I'm  
22 just interested in whatever evidence you have right now to  
23 justify those discovery requests. And right now, I'm not  
24 feeling that convinced.

25 MR. THOMPSON: Your Honor, I -- what we would suggest

1 is that the 9019 settlement agreement together. And this is  
2 not something that we had concluded prior to the Trustee's  
3 rejection of what we think is a very reasonably plan, joint  
4 plan proposal, to pay virtually 100 cents to all creditors and  
5 certainly a much better outcome for unsecured creditors. We  
6 weren't of this opinion until after that rejection, but it  
7 strikes us at this point that it is very possible that what the  
8 9019 settlement agreement and the proposed sale and bid  
9 procedures actually constitute is a sub rosa plan.

10 THE COURT: Okay.

11 MR. THOMPSON: So, okay.

12 THE COURT: I understand --

13 MR. THOMPSON: Okay.

14 THE COURT: -- that that's your position and I'll  
15 take that into consideration when I enter my ruling, okay?

16 MR. THOMPSON: Okay, Your Honor. Thank you.

17 THE COURT: All right. Thank you very much.

18 Okay. Anything else, Mr. Coren? Yes?

19 MR. COREN: No, Your Honor. It's unusual where I  
20 come down here and say nothing, but I'm happy to say nothing.

21 THE COURT: All right. Well, I appreciate everyone's  
22 thorough briefing. Yes.

23 MR. SWICK: Can I please say one thing just for the  
24 record?

25 THE COURT: Yeah. Go ahead.



1 MR. SWICK: Okay. So on the motion to withdraw, like  
2 the motion for turnover was also for sanctions and included in  
3 that were documents that we're extremely convinced were  
4 falsified. And they were accusing our client of doing things  
5 they did not do and asking for sanctions. So I really think,  
6 and I would implore this Court to let us -- and look, most of  
7 this stuff could have been done by a phone call,  
8 communications, emails. Communications are not going great  
9 with opposing counsel.

10 So like if somebody filed something and they said,  
11 "Hey, man, this is a mistake. Here's what happened." Fine.  
12 But we didn't have that conversation. We just had we're going  
13 to withdraw this on the day before discovery is due when we've  
14 been conferring about doing discovery and you're not going to  
15 get any information about what we've -- like I don't make these  
16 accusations lightly -- were clearly either falsified documents  
17 or they were insinuating that our client used them in violation  
18 of this Court's order, which they were not. And there is no  
19 evidence that they were.

20 So I -- on this motion to withdraw the motion for  
21 turnover and sanctions, Your Honor, I really believe we should  
22 be able to get down to why those documents, that motion for  
23 turnover was filed and have some explanation for that because  
24 that goes into our bidding procedure. Should we, you know, go  
25 with this sale? Should we do a plan? Like are we behind the

1 eight ball here because they're not going to do anything with  
2 us. And I also want to make it clear. We took this case to  
3 not waste anybody's time. Like I'm not going to come in and do  
4 a plan objection when we can't do a substitution or anything  
5 like that. But to me, and I'm not from this Court, but I feel  
6 like the really injustice that's going on, that someone is  
7 trying to get my client for sanctions on falsified documents  
8 and I can't get any explanation or discovery on those  
9 documents.

10 THE COURT: You know, I've read all of the  
11 allegations that you guys have made, and unfortunately, I'm  
12 just not convinced by those allegations. And I appreciate that  
13 you're zealously advocating on behalf of your client. I'm just  
14 not convinced on the evidence and the arguments that you've  
15 presented to me today. Okay.

16 Okay. So I guess we'll see you again with regard to  
17 the next hearing, which I guess is next week then, Pam?

18 THE CLERK: Yes.

19 THE COURT: Okay. All right. Thank you, both.

20 MR. THOMPSON: Very good. Thank you, Your Honor.

21 MR. COREN: Thank you, Your Honor.

22 THE COURT: Yes. Thank you.

23 MR. THOMPSON: Have a nice day.

24 THE COURT: You too.

25 (Proceedings adjourned at 11:17 a.m.)

C E R T I F I C A T E

I hereby certify that the foregoing is a true and correct transcript from the electronic sound recording of the proceedings in the above-entitled matter.

*John Buckley*

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John Buckley, CET-623  
Digital Court Proofreader